

**Independent Remuneration Panel
for Worcestershire District Councils**

Annual Report and Recommendations for 2021-22

Redditch Borough Council

December 2020

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Recommendations

The Independent Remuneration Panel recommends to Redditch Borough Council the following:

- 1. That the Basic Allowance for 2021-22 is £4,650 representing a 2.75% increase**
- 2. That the Special Responsibility Allowances are set out in Appendix 1**
- 3. That travel allowances for 2021-22 continue to be paid in accordance with the HMRC mileage allowance**
- 4. That subsistence allowances for 2021-22 remain unchanged**
- 5. That the Dependent Carer's Allowance remains unchanged**
- 6. That for Parish Councils in the District, if travel and subsistence is paid, the Panel recommends that it is paid in accordance with the rates paid by Redditch Borough Council and in accordance with the relevant Regulations**

Introduction

The Independent Remuneration Panel (IRP) has been appointed by the Council to carry out reviews of the allowances paid to Councillors, as required by the Local Government Act 2000 and subsequent legislation. The Panel has carried out its work in accordance with the legislation and statutory guidance.

The purpose of such allowances is to enable people from all walks of life to become involved in local politics if they choose.

The law requires each Council to 'have regard' to the recommendations of the Panel and we noted that Redditch Borough Council rejected the Panel's recommendation for 2020/21 due to the financial status of the Council.

The work of the Panel in the current year has been significantly influenced by the ongoing effects of the COVID-19 pandemic and the subsequent demands it has placed on individual Councils. As important as the work of the Panel is, it was clearly recognised that there were greater priorities for Council Leaders and a need to be realistic about what was required and what could be achieved during 2020.

In view of the above, and in consultation with all constituent authorities it was decided that the report for 2021/22 would focus solely on recommendations in relation to the Basic Award and any consequential change to the value of existing Special Responsibility Allowances (SRAs). The evidence base for the recommended changes is set out below.

This report reflects the above position and contains no new recommendations in relation to the range of wider SRAs (i.e. the multiplier values) for 2021/22. Such recommendations would need to have been supported by research within individual authorities and demanded the time and contribution from officers and members. Given the restrictions presented by Covid it was agreed that this would not be a useful use of resources. The Panel is hopeful, however of being able to undertake a review of SRAs during the reporting cycle leading to the 2022/23 report and in accordance with any previously published commitments.

The Panel acknowledges that in the current challenging times and financial climate there are difficult choices to be made. Whilst ultimately it is for the Council to decide how or whether to adopt the recommendations set out in this report, it is hoped that such recommendations serve as useful.

Background Evidence and Research Undertaken

There is a rich and varied choice of market indicators on pay which can be used for comparison purposes. These include:

- National survey data on a national, regional or local level
- Focussed surveys on a particular public sector
- Regular or specific surveys
- Use of specific indices to indicate movement in rewards or cost of living

As background for the decisions taken by the Panel this year we have:

- Analysed and considered the Annual Survey of Hours and Earnings (ASHE) statistics for 2020 which gives the mean hourly wage rate for Worcestershire at £14.78.
- Benchmarked the Basic Allowance against allowances for comparable roles paid by the Chartered Institute of Public Finance and Accountancy (CIPFA) "Nearest Neighbour" Councils for each authority
- Taken account of the National Pay Award (2.75%) for the majority of Local Government employees
- Considered the Consumer Price Index information as at November 2020

We give more details about these areas of research at the end of the report.

In 2015, Worcester City Councillors recorded time spent on Council business for a number of weeks. This enabled the Panel to confirm the number of hours per week for front line councillors, which is used to calculate the recommended basic allowance. More detail is given about this under the Basic Allowance heading later in the Report.

The figure being recommended by the Panel of £4,650 for the Basic Allowance appears reasonable and appropriate when compared to other Local Authorities.

Arising from our research, in **Table 1** we have included information showing the Members' allowances budget for Basic and Special Responsibility Allowances paid for 2019-20 as a cost per head of population for each Council. To give context, we have included details of the proportion of net revenue budget spent by each Council on basic and Special Responsibility allowances.

Table 1 - Total spend on Basic and Special Responsibility Allowances (SRA) as a cost per head of population 2019-20 figures

Authority, population¹ and number of Councillors	Total spend Basic Allowances	Total spend on SRA	SRA as a percentage of total Basic Allowance	Cost of total basic and SRA per head of population	Total of basic and SRA as a percentage of Net General Revenue Fund expenditure
	£	£	%	£	%
Bromsgrove DC (31) 94,744	139,656	64,823	46.42	2.05	1.759
Malvern Hills DC (38) 75,339	164,717	56,054	34	2.81	2.6
Redditch Borough (29) 84,521	126,046	88,189	69.96	2.51	2.523

¹ONS population figures mid 2019. Totals for Basic and Special Responsibility allowances paid are as published by each authority for the 2019-20 financial year.

Worcester City (35) 100,405	152,807	69,441	45.44	2.21	1.36
Wychavon (45) 118,738	198,782	85,594	43.06	2.23	1.77

In **Table 2** we show the average payment per member of each authority of the Basic and Special Responsibility Allowances, which illustrates the balance between the level of Special Responsibility Allowances paid and the Basic Allowance.

Table 2 - Average allowance per Member of each authority (Basic and Special Responsibility Allowances, 2019 – 20 figures)

Authority (number of Councillors)	Amount £
Bromsgrove District (31)	6,596
Malvern Hills District (38)	5,810
Redditch Borough (29)	7,387
Worcester City (35)	6,349
Wychavon District (45)	6,319

Basic Allowance 2021 - 22

Calculation of Basic Allowance

The Basic Allowance is based on:

- The roles and responsibilities of Members
- Their time commitments – including the total average number of hours worked per week on Council business
- A public service discount of 40% to reflect that Councillors volunteer their time
- The Basic Allowance is paid to all Members of the Council

Whilst each Council may set out role descriptions for Councillors, the Panel accepts that each councillor will carry out that role differently, reflecting personal circumstances and local requirements. However, we consider the Basic Allowance to include Councillors' roles in Overview and Scrutiny, as any non-Executive member of the Council is able to contribute to this aspect of the Council's work. It is for this reason that we do not recommend any Special Responsibility Allowance for members of the Overview and Scrutiny Committee. We also consider that ICT could be included in the Basic Allowance as it is generally more readily available to individuals than in previous years. However, we are comfortable that specific local decisions may be made about how ICT support is provided.

As mentioned earlier, in 2015 Worcester City Councillors recorded the time spent per week on Council business for a number of weeks during the early autumn. This was considered to reflect an appropriate "average" period of time for meetings and other commitments. The results from this survey showed that the average input was 10 hours and 50 minutes

per week. This figure matches the one used for a number of years by the Panel, based on previous research with constituent councils, to calculate the basic allowance.

We reviewed the levels of wage rates for Worcestershire as set out in the ASHE data (details in appendix 2) and the benchmark information available to us from the Chartered Institute of Public Finance and Accountancy (CIPFA) "nearest neighbours" authorities as part of our research into the level of basic allowance recommended. We are also aware that the majority of local government employees received an average of 2.75% increase in pay in April 2020 (dependent on scale).

The research information used in the consideration of the Basic allowance is set out at appendix 2.

Special Responsibility Allowances (SRA) 2021/22

The basis for the calculation of SRAs is a multiplier of the Basic Allowance as advocated in the published Guidance.

For the reasons as set out in the introduction to the report, no recommendations have been made to change the SRA multiplier rates for 2021/22. As such the recommended rates remain as they were in the 2020/21 report and as detailed in Appendix 2.

Mileage and Expenses 2021-22

The Panel notes that the Council has used the HMRC flat rate for payment of mileage for Councillors and recommends that this continues. It should also be noted that HMRC recommends a 4p per mile payment for electric business vehicles.

The Panel is satisfied that the current levels of subsistence allowances are set at an appropriate level and recommends that these continue.

The Panel notes that the Council's Scheme of Members' Allowances provides that Dependant Carer Allowances are payable to cover reasonable and legitimate costs incurred in attending approved duties and recommends that this provision continues.

Allowances to Parish Councils 2021-22

The Independent Remuneration Panel for Worcestershire District Councils acts as the Remuneration Panel for the Parish Councils in each District.

This year the Panel has not been asked to make recommendations on any matters by any Parish in Bromsgrove/Malvern Hills/Redditch/Worcester City/ Wychavon.

The Independent Remuneration Panel

The Members' Allowances Regulations require Local Authorities to establish and maintain an Independent Remuneration Panel. The purpose of the Panel is to make recommendations to the authority about allowances to be paid to Elected Members and Local Authorities must have regard to this advice. This Council's Independent Remuneration Panel is set up on a joint basis with 4 of the other 5 District Councils in Worcestershire. Separate Annual Reports have been prepared for each Council.

The members of the Panel are:

Caroline Murphy – Caroline has over 20 years' experience of working in public and voluntary sector organisations, including three West Midlands Local Authorities and the Civil Service. She was a senior Education Manager at Wolverhampton City Council until 2011 developing and delivering a large part of the 14-19 Pathfinder, during which time her department was recognised as achieving Beacon Council Status. She has a wealth of experience at building partnerships. Caroline now works as freelance Education, Skills and Development Adviser supporting individuals and organisations with strategic management, quality assurance and improvement, safeguarding, regulation compliance, research and evaluation, data protection and developing policies and procedures. She has worked in a consultancy capacity for a number of organisations, specialising in those who support vulnerable young people. She also spent 14 years as the Vice Chair of Governors of a primary school in Birmingham.

Jonathan Glover – Jonathan has over 30 years experience working in central and local government. He has worked mostly in central government, in a range of departments and disciplines. These include: regional finance and accounts; building management; personnel management; contract management. At a local level he specialised in employment support for people with disabilities. Returning to a regional role, he ensured projects throughout the West Midlands region, which were receiving European Commission grants, complied with EC financial and regulatory compliance. Since leaving the civil service he has worked in both the public and private sector. Jonathan was a governor at his local junior school for eight years. He was vice chair of the full governing body, representing the school at Ofsted inspection and appeal panels; chair of its curriculum sub committee; and a member of personal and finance sub committees. He was a member of several recruitment and interview panels, including for a new headteacher.

Reuben Bergman – Reuben is a Fellow of the CIPD with significant senior HR leadership experience across a range of public sector organisations in both England and Wales. He currently runs a HR Consultancy Business in Worcestershire providing advice and support on managing change, employment law, HR policy development, mediation, management coaching and employee relations. Reuben has led successful equal pay reviews in three separate local authorities and is known for his successful work in managing change and developing effective employee relations. He is a qualified coach, mediator and a Shared Service architect. He has won national awards for his work on employee engagement and the development of an innovative Café style leadership development programme.

Matthew Davies – Matthew qualified as a Social Worker in 2008 and subsequently worked with children and young people in Worcestershire, Jersey and Manchester. Latterly he is employed as a Registered Manager of an independent fostering agency, supporting and supervising approved foster carers to care for children and young people in care.

The Panel has been advised and assisted by:

- Claire Chaplin and Margaret Johnson from Worcester City Council
- Darren Whitney, Amanda Scarce, Jess Bayley and Sarah Sellers from Bromsgrove & Redditch Councils
- Mel Harris from Wychavon District Council

- Lisa Perks from Malvern Hills District Council

The Panel wishes to acknowledge its gratitude to these officers who have provided advice and guidance in a professional and dedicated manner.

Reuben Bergman , Chair of Independent Remuneration Panel

Independent Remuneration Panel for District Councils in Worcestershire
Recommendations for 2021/22

Redditch Borough Council

Role	Rec Multiplier 2020/21 (IRP)	Current Multiplier 2020/21 (Council approved)	Rec Allowance (£) 2020/21 (IRP)	Current Allowance (£) 2020/21 (Council approved)	Rec Multiplier 2021/22 (IRP)	Rec Allowance (£) 2021/22 (IRP)
Basic Allowance for all Councillors	1	1	4,526	4,437	1	4,650
Special Responsibility Allowances:						
Leader	3	3	13,578	13,311, plus 6,656 as portfolio holder	No change from recommendation in 2020/21	13,950
Deputy Leader	1.75	1.75	7,920.50	7,765, plus 6,656 as portfolio holder	No change from recommendation in 2020/21	8,137.50
Cabinet Portfolio Holders	1.5	1.5	6,789	6,656	No change from recommendation in 2020/21	6,975
Executive Members without portfolio	****	1	****	4,437	****	****
Chair of Overview and Scrutiny Committee	1.5	1.5	6,789	6,656	No change from recommendation in 2020/21	6,975

Chairs of Overview and Scrutiny Task Groups	0.25	0.25	1,131.50	1,109	No change from recommendation in 2020/21	1,162.50
Chair of Audit, Standards and Governance Committee	0.25	0.25	1,131.50	1,109	No change from recommendation in 2020/21	1,162.50
Chair of Planning Committee	1	1	4,526	4,437	No change from recommendation in 2020/21	4,650
Chair of Licensing Committee	0.75	0.75	3,394.50	3,328	No change from recommendation in 2020/21	3,487.50
Political Group Leaders	0.25	0.25	1,131.50	1,109	No change from recommendation in 2020/21	1,162.50

Summary of Research

Chartered Institute of Public Finance and Accountancy (CIPFA) "Nearest Neighbour" authorities tool.

No two Councils or sets of Councillors are the same. Developed to aid local authorities in comparative and benchmarking exercises, the CIPFA Nearest Neighbours Model adopts a scientific approach to measuring the similarity between authorities. Using the data, Redditch Borough Council "nearest neighbours" are:

- Tamworth Borough Council
- Gloucester City Council
- Stevenage Borough Council
- Kettering Borough Council
- Worcester City Council
- Cannock Chase District Council

Information on the level of Basic and Special Responsibility Allowances was obtained to benchmark the levels of allowances recommended to the Council. The average basic award across all the "nearest neighbour" authorities was £5,377 as at November 2020.

Annual Survey of Hours and Earnings (ASHE) Data on Pay

<https://www.nomisweb.co.uk/reports/lmp/la/contents.aspx>

<https://www.nomisweb.co.uk/query/construct/summary.asp?reset=yes&mode=construct&dataset=30&version=0&anal=1&initse1=>

Published by the Office for National Statistics, the Annual Survey of Hours and Earnings (ASHE) shows detailed information at District level about rates of pay. For benchmarking purposes, the Panel uses the levels for hourly rates of pay excluding overtime (currently £14.78 as at December 2020). This is multiplied by 11 to give a weekly rate, which is then multiplied by 44.4 weeks to allow for holidays. This was the number of hours spent on Council business by frontline Councillors which had been reported in previous surveys and substantiated by a survey with Worcester City Councillors in the autumn of 2015. The rate is then discounted by 40% to reflect the element of volunteering that each Councillor undertakes in the role. As a benchmark indicator this would produce a figure of £4,331 per annum

CPI (Consumer Price Inflation)

In arriving at its recommendations the Panel has taken into account the latest reported CPI figure available to it, published by the Office for National Statistics. This was 0.9% in November 2020.

Local Government Pay Award

The Panel was mindful of the latest Local Government pay award implemented from 1st April 2020. For the majority of Local Government employees this resulted in a pay increase of 2.75%.